

PRESS RELEASE

Lagos, Nigeria – 26 October 2016

FBN HOLDINGS PLC. REPORTS GROSS EARNINGS OF ₦417.3 BILLION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

FBN Holdings Plc. (“FBNH” or “FBN Holdings” or the “Group”) today announces its unaudited results for the nine months ended 30 September 2016.

Income Statement

- Gross earnings of ₦417.3 billion, up 7.0% year-on-year (y-o-y) (Sept 2015: ₦390.0 billion)
- Net-interest income of ₦202.9 billion, up 5.2% y-o-y (Sept 2015: ₦192.9 billion)
- Non-interest income of ₦131.0 billion, up 56.5% y-o-y (Sept 2015: ₦83.7 billion)¹
- Operating income of ₦333.9 billion, up 20.7% y-o-y (Sept 2015: ₦276.6 billion)¹
- Impairment charge for credit losses of ₦114.7 billion (Sept 2015: ₦46.6 billion)
- Operating expenses of ₦161.8 billion, down 5.1% y-o-y (Sept 2015: ₦170.4 billion)¹
- Profit before tax of ₦57.5 billion, down 3.5% y-o-y (Sept 2015: ₦59.6 billion)
- Profit after tax ₦42.5 billion, down 15.3% y-o-y (Sept 2015: ₦50.2 billion)

Statement of Financial Position

- Total assets of ₦5.1 trillion, up 21.6% year-to-date (y-t-d) (Dec 2015: ₦4.2 trillion)
- Customer deposits of ₦3.3 trillion, up 10.9% y-t-d (Dec 2015: ₦2.97 trillion)
- Customer loans and advances (net) of ₦2.2 trillion, up 21.6% y-t-d (Dec 2015: ₦1.8 trillion)

Key Ratio

- Post-tax return on average equity of 9.4% (Sept 2015: 12.2%)²
- Post-tax return on average assets of 1.2% (Sept 2015: 1.5%)
- Net-interest margin of 7.5% (Sept 2015: 7.7%)
- Cost to income ratio of 48.4% (Sept 2015: 61.6%)
- NPL ratio of 24.9% (Sept 2015: 4.8%)
- 54.3% liquidity ratio (FirstBank (Nigeria)) (Sept 2015: 49.7%, Dec 2015: 58.6%)
- 15.4% Basel 2 capital adequacy ratio (CAR) [excluding 9M 2016 profit] (FirstBank (Nigeria) (Sept 2015: 16.0%, Dec 2015: 17.1%)
- 28.9% Basel 2 CAR (FBN Merchant Bank) (Sept 2015: 18.7%, Dec 2015: 24.9%)

Notable Developments

- Leadership appointments across the Group³:
 - FBNHoldings Plc.
 - ✓ Cecilia Akintomide and Oluwande Muoyo were appointed Independent Non-Executive Directors, effective 19 July, 2016
 - FirstBank and its subsidiaries:
 - ✓ Patrick Iyamabo was appointed Chief Financial Officer, effective 15 August, 2016
 - ✓ Olusegun Alebiosu was appointed Chief Risk Officer, effective 5 September, 2016

¹ Sept 2015 underwriting expenses of N1.2 billion has now been reclassified from fees and commission expense to operating expenses

² Post tax return on average equity and assets as well as the net interest margin are annualised ratios

³ Appointments in the CBN regulated entities are subject to approval

- FBN Merchant Bank Limited:
 - ✓ Akin Osinbajo and Babatunde Odunayo were appointed Non-Executive Directors, effective 19 July, 2016
- FBN General Insurance Limited:
 - ✓ Titi Adebiji, Yusufu Modibbo, Hernie Nel and Johan Schalkwyk were appointed Non-Executive Directors, effective 19 July, 2016
- FBN Insurance Brokers Limited:
 - ✓ Folarin Alayande was appointed Non-Executive Director, effective 19 July, 2016

Selected Financial Summary

(Nbillion)	9M 2016	9M 2015	Δ%
Gross earnings	417.3	390.0	7
Interest income	278.6	300.4	-7
Net-interest income	202.9	192.9	5
Non-interest income ⁷	131.0	83.7	57
Operating Income ⁹	333.9	276.6	21
Impairment charge for credit losses	114.7	46.6 ¹¹	146
Operating expenses	161.8	170.4	-5
Profit before tax	57.5	59.6	-4
Profit after tax	42.5	50.2	-15
Basic EPS (kobo) ¹⁴	156	195	-20
Total assets	5,065	4,303.4	18
Customer loans & advances (Net)	2,210	1,908.7	16
Customer deposits	3,296.2	2,999.6	10
Non-performing loans	616.7	94.9 ¹⁷	550
Shareholders' funds	624.6	575.6	9

Key Ratios %	9M 2016	9M 2015
Post-tax return on average equity ⁴	9.4	12.2
Post-tax return on average assets ⁵	1.2	1.5
Earnings yield ⁶	10.2	12.0
Net interest margin ⁸	7.5	7.7
Cost of funds ¹⁰	2.7	4.0
Cost to income ¹²	48.4	61.6
Gross loans to deposits	75.1	65.8
Liquidity (FirstBank(Nigeria))	54.3	49.7
Capital adequacy (FirstBank (Nigeria)) ¹³	15.4	16.0
Capital adequacy (FBN Merchant Bank)	28.9	18.7
NPL/Gross Loans	24.9	4.8
NPL coverage ¹⁵	43.6	116.5
PPOP ¹⁶ /impairment charge (times)	1.5	2.3
Cost of risk ¹⁸	6.9	3.0
Leverage (times) ¹⁹	8.1	7.5
BVPS ²⁰	17.4	17.0

⁴ Post-tax return on average equity computed as annualised profit after tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders

⁵ Post-tax return on average assets computed as annualised profit after tax divided by the average opening and closing balances of its total assets

⁶ Earnings yield computed as annualised interest income divided by the average opening and closing balances of interest earning assets

⁷ Non-interest income is net of fee and commission expenses

⁸ Net interest margin computed as annualised net interest income divided by the average opening and closing balances of interest earning assets

⁹ Operating income defined as Net interest income plus non-interest income

¹⁰ Cost of funds computed as annualised interest expense divided by average interest bearing liabilities

¹¹ FY 2015: ₦119.3 billion

¹² Cost to income ratio computed as operating expenses divided by operating income

¹³ Excluding 9M 2016 profits

¹⁴ Basic EPS computed as annualised profit after tax attributable to shareholders divided by weighted average number of shares in issue

¹⁵ NPL coverage computed as loan loss provisions plus statutory credit reserve divided by gross NPLs

¹⁶ PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge

¹⁷ FY 2015: ₦353.5 billion

¹⁸ Cost of risk computed as annualised credit impairment charges divided by the average opening and closing gross loans balances

¹⁹ Total assets divided by shareholders' equity

²⁰ BVPS – Book Value Per Share computed as total equity divided by number of outstanding shares

Commenting on the results, UK Eke, the Group Managing Director said:

“FBNHoldings’ performance has again demonstrated its underlying resilience despite the ongoing macroeconomic and business challenges with gross earnings and profit before tax closing at ₦417.3 billion and ₦57.5 billion respectively. This has been achieved through sustained revenue generation as well as increased cost efficiencies. Although the current currency weakness is a challenge for our remedial process, we are steadfastly progressing on improving the overall risk management culture, governance and technology as well as the degree of compliance across the Group”.

“The Group remains committed to ensuring sustained improvement in our performance with a view to restoring shareholder value”.

Group Financial Review

Income Statement

Gross earnings increased by 7.0% y-o-y to ₦417.3 billion (Sept 2015: ₦390.0 billion). This reflects the strong business fundamentals as we keep the revenue momentum amidst a slow business environment. However, despite the 56.5% y-o-y increase in non-interest income to ₦131.0 billion, interest income declined by 7.3% y-o-y to ₦278.6 billion (Sept 2015: ₦300.4 billion).

Net-interest income improved by 5.2% y-o-y to ₦202.9 billion (Sept 2015: ₦192.9 billion), driven by a 38.4% reduction in interest expense on customers’ deposits to ₦56.7 billion (Sept 2015: ₦92.0 billion). This was partly offset by a 7.3% decline in interest income, largely due to a 4.7% y-o-y drop in loans to customers to ₦193.0 billion (Sept 2015: ₦202.5 billion) due to tightening of our risk acceptance criteria, as well as 12.7% y-o-y decrease in interest on investment securities to ₦74.1 billion (Sept 2015: ₦85.0 billion).

Cost of funds declined to 2.7% (Sept 2015: 4.0%) as we deliberately optimise our deposit mix in a rising interest rate regime. Average yields on customers’ loans, investment securities and loans to banks decreased to 12.9%, 9.0% and 2.9% respectively from 13.2%, 13.6% and 3.9% the year prior. Consequently, the blended yield on interest earning assets declined to 10.2% (Sept 2015: 12.1%) resulting in a **net interest margin** decrease to 7.5% (Sept 2015: 7.7%).

Non-interest income (NII) increased by 56.5% y-o-y to ₦131.0 billion (Sept 2015: ₦83.7 billion) and currently contributes 39.2% to net revenue (Sept 2015: 30.3%). The increase in non-interest income has been driven largely by the foreign exchange translation gain as well as fees and commission income. Foreign exchange income in the period increased to ₦68.4 billion (Sept 2015: ₦22.5 billion), representing 52.2% of non-interest income (Sept 2015: 26.8%). Adjusting for foreign exchange income, non-interest income increased by 2.3% y-o-y.

Fees and commission (F&C) income, representing 40.2% (Sept 2015: 60.9%) of total non-interest income, grew by 3.3% to close at ₦52.7 billion (Sept 2015: ₦51.0 billion). This improvement was driven primarily by: a 22.2% increase in electronic banking fees to ₦15.5 billion (Sept 2015: ₦12.7 billion), a 109.2% increase in account maintenance fees to ₦11.3 billion (Sept 2015: ₦5.4 billion) as well as an increase in other fees and commission (+97.4%) to ₦6.1 billion. Electronic banking fees represented the highest component of F&C at

29.4% up from 24.9% in the prior year, with account maintenance fees accounting for 21.4% of F&C (Sept 2015: 10.6%).

Demonstrating the revenue synergies inherent in our business and enhancing the contribution to the non-interest income from the non-commercial banking businesses, net insurance premium further improved to ₦6.8 billion from ₦4.3 billion (+60.5%) in the prior year. Similarly, financial advisory and fund management fees from our merchant banking and asset management business increased by 95.1% and 93.2% respectively to ₦5.0 billion and ₦1.7 billion.

Operating expenses declined by 5.1% y-o-y to ₦161.8 billion (Sept 2015: ₦170.4 billion) following broad range declines in: advert and corporate promotions (-51.0%, ₦3.5 billion) to ₦3.3 billion, operational and other losses (-59.4%, ₦3.3 billion) to ₦2.3 billion, maintenance (-10.8%, ₦1.5 billion) to ₦12.6 billion and regulatory cost (-4.9%, ₦1.1 billion). The decline in operating expenses was however largely offset by staff costs (+4.6%, ₦2.9 billion) to ₦65.4 billion and to a lesser extent a 46.9% increase in net insurance claims to ₦2.9 billion following the crystallisation of some operational risks in the ordinary course of business. Taking into consideration the current high inflation environment, a 5.1% overall reduction in operating expenses is a testament to our commitment to drive cost efficiencies and instil operational excellence across our businesses.

Cost-to-income ratio improved to 48.4% (Sept 2015: 61.6%) following strong operating income growth and a sustained decline in operating expenses. We remain steadfast in achieving further efficiency gains as we consolidate our two-pronged objectives of efficiency and revenue optimisation. We have realized the current improvement largely by entrenching budget discipline, deployment of shared services framework, staff rationalization and other cost containment measures of the Group. There is scope for further progress as we continue to push ahead with a clear operational efficiency program including implementation of the Enterprise Resource Planning/Risk Management project.

Net impairment charge on credit losses came up to ₦114.7 billion (Sept 2015: ₦46.6 billion), primarily driven by incremental provisions from oil and gas sector. Other sectors include construction, transport, general commerce and information services sectors. Consequently, **Cost of risk** increased to 6.9% (Sept 2015: 3.0%), while **NPL ratio** increased to 24.9%, largely driven by the translation effect of the Naira devaluation. We remain focused on remediation and recovery activities towards declassifying non-performing accounts and driving asset quality improvements.

Profit before tax closed 3.5% lower y-o-y at ₦57.4 billion (Sept 2015: ₦59.6 billion). Income tax expense was ₦14.9 billion (Sept 2015: ₦9.3 billion), resulting in an effective tax rate for the period at 26.0% (Sept 2015: 15.7%). As a result, **earnings per share**²¹ of ₦1.56 (Sept 2015: ₦1.95), with **post-tax return**¹⁹ **on average equity** of 9.4% (Sept 2015: 12.2%) and **post-tax return**¹⁹ **on average total assets** of 1.2% (Sept 2015: 1.5%).

²¹ Annualised

Statement of Financial Position

Total assets increased by 21.6% y-t-d to ₦5.1 trillion (Dec 2015: ₦4.2 trillion) driven by: increase in loans to banks and customers as well as growth in investment securities. Loans to banks and customers grew by 69.0% and 21.6% to ₦652.0 billion and ₦2.2 trillion respectively (Dec 2015: ₦385.8 billion and ₦1.82 trillion), while investment securities were up by 25.9% y-t-d to ₦1.2 trillion (Dec 2015: ₦970.2 billion). Total interest earning assets grew by 28.6% y-t-d to ₦4.1 trillion from ₦3.2 trillion, representing 80.6% of total assets (Dec 2015: 76.2%).

Total customer deposits rose by 10.9%²² y-t-d to ₦3.3 trillion (Dec 2015: ₦2.97 trillion). We are focusing on ensuring an appropriate deposit mix at the optimum price. Low-cost deposits now represent 69.1% of the Group's total deposits, up from 67.3% as at December 2015. Deposit growth was essentially driven by a 41.8%²³ and a 9.4% increase in domiciliary and savings deposits respectively. Demonstrating the strength of our franchise and ability to continually attract a well-diversified and sustainable funding base, retail banking²⁴ deposits within FirstBank(Nigeria) remain strong at 69.5% of total deposits (Dec 2015: 67.7%) as deposits in other business lines grew stronger y-t-d. Foreign currency deposits now represent 18.5% of the Group's total deposits (Dec 2015: 14.5%) but 20.4% (Dec 2015: 17.8%) of the FirstBank(Nigeria) deposits at ₦516.1 billion.

Total loans & advances to customers (net) increased by 21.6% y-t-d to ₦2.2 trillion (Dec 2015: ₦1.82 trillion), driven largely by the translation effect of the Naira devaluation. Due to the impact of the currency devaluation, FCY loans, as at 9M 2016 now constitute 51.8%²⁵ of the loan portfolio (Dec 2015: 44.7%). The oil and gas sector accounts for 43.1% of the loan portfolio with oil upstream accounting for 21.9%, while downstream and services are 13.9% and 7.3% respectively. The sectors largely affected by the devaluation are: oil and gas, manufacturing, power, and information technology. Adjusting for the movement in currency, real loan growth would have been flat y-t-d. Accordingly, the impact of devaluation on account of translation has essentially contributed to the growth in the non-performing loan book and the corresponding degree of provisions.

Concerted efforts are being made on reducing the FCY net portfolio in dollar terms. The matured foreign currency forwards reduced some of the FCY exposure. In dollar terms, y-t-d, the foreign currency net loans portfolio in FirstBank (Nigeria) declined by about \$319 million. We are also focusing on converting some of the FCY exposures, to curtail the technical growth and its attendant impact of the loan portfolio. A total of \$85 million have been converted to Naira y-t-d.

Our priorities remain non-oil trades, short-cycle and self-liquidating transactions with preference in the retail and consumer lending sector in order to optimise portfolio mix, enhance portfolio yield, improve asset quality and enhance capital.

Shareholders' funds closed at ₦624.6 billion, up 7.9% y-t-d (Dec 2015: ₦578.8 billion), benefitting from revaluation gains of ₦41.99 billion, taking foreign currency translation reserves to ₦50.1 billion (Dec 2015: ₦8.1 billion) as well as retained earnings of ₦52.56.6 billion, closing at ₦215.7 billion (Dec 2015: ₦163.2 billion).

²² Adjusting for the impact of Naira devaluation, the Group's deposit book would have increased by 0.7%

²³ Adjusting for Naira devaluation, domiciliary account would have grown by 28.9%

²⁴ Including Private Banking

²⁵ Pre-devaluation in June 2016, foreign currency loans represented 42.9% of total loans

Capital adequacy ratio for FirstBank (Nigeria) closed at 15.4%²⁶ (excluding 9M 2016 profit) (Dec 2015: 17.1%), while tier 1 ratio was 11.98% (Dec 2015: 13.3%). Capital adequacy ratio for FBN Merchant Bank closed at 28.9% (Dec 2015: 24.9%) above the 10% required by regulation, with a tier 1 ratio of 28.3% (Dec 2015: 24.4%).

Liquidity ratio for FirstBank (Nigeria) closed at 54.3% (Dec 2015: 58.6%) not only in excess of the 30% regulatory mark, but also above 50% for most part of the year.

Business Groups^{27 28 29}:

Commercial Banking

- Gross earnings of ₦381.0 billion, up 6.0% y-o-y (Sept 2015: ₦359.5 billion)
- Net interest income of ₦197.4 billion, up 5.4% y-o-y (Sept 2015: ₦187.2 billion)
- Non-interest income of ₦107.6 billion, up 49.4% y-o-y (Sept 2015: ₦72.0 billion)
- Operating expenses of ₦144.9 billion, down 7.0% y-o-y (Sept 2015: ₦155.8 billion)
- Profit before tax of ₦45.4 billion, down 20.1% y-o-y (Sept 2015: ₦56.8 billion)
- Profit after tax of ₦36.2 billion, down 27.1% y-o-y (Sept 2015: ₦49.6 billion)
- Total assets of ₦4.83 trillion, up 21.7% y-t-d (Dec 2015: ₦3.97 trillion)
- Customers' loans and advances (net) of ₦2.2 trillion, up 22.4% y-t-d (Dec 2015: ₦1.82 trillion)
- Customers' deposits of ₦3.2 trillion, up 11.1% y-t-d (Dec 2015: ₦2.9 trillion)

Commenting on the results Dr. Adesola Adeduntan, the MD/CEO of FirstBank and its subsidiaries said:

"FirstBank and its subsidiaries returned a 6.0% y-o-y growth in gross earnings at ₦381.0 billion as we continue to push to improve the performance of our business despite the tough operating environment exacerbated by the currency weakness. To achieve the desired results, we have identified talents, and recruited highly competent personnel in strategic functions towards returning the group to its leadership position."

"Furthermore, having addressed the structural and organisational challenges of our risk management architecture and as we remain focused on the remediation and recovery efforts, we are progressing with the Enterprise Resource Planning and Risk Management implementation project as well as other transformational initiatives to drive further operational efficiencies, service delivery excellence and enhanced earnings".

²⁶ Excluding 9M 2016 profits

²⁷ Please refer to the 'Notes to Editors' section on page 12 for the companies in each business group

²⁸ The pre-consolidation numbers of each of the business groups have been considered in discussing their performance

²⁹ Post consolidation, the Commercial Banking, Merchant Bank & Asset Management, Insurance and Other Financial Services contributed 91.0%, 6.6%, 2.2% and 0.1% (Sept 2015: 91.1%, 7.0%, 1.6% and 0.3%) respectively to the Group's gross earnings and 77.8%, 22.1%, 3.5% and -3.3% (Sept 2015: 89.6%, 14.0%, 1.6% and -5.3%) to the Group's profit before tax

FirstBank (Nigeria)³⁰ ("FirstBank")

Gross earnings grew by 3.5% y-o-y to ₦334.6 billion (Sept 2015: ₦323.2 billion), driven by the 50.5% y-o-y increase in non-interest income to ₦96.3 billion (Sept 2015: ₦64.0 billion). This was partly offset by an 8.5% y-o-y decline in interest income to ₦230.2 billion (Sept 2015: ₦251.5 billion). The increase in non-interest income was driven by the exchange gain on the back of currency devaluation, while the decline in interest income was due to a drop in average volume of loans to customers and lower yields on interest earning assets relative to the comparable period. The impact of the decrease in interest income was mitigated by a 31.4% y-o-y reduction in interest expense to ₦59.4 billion (Sept 2015: ₦86.6 billion) resulting in a 3.6% y-o-y growth in net interest income to ₦170.8 billion (Sept 2015: ₦164.9 billion).

Cost-to-income ratio at FirstBank (Nigeria) improved strongly from 60.3% in the previous year to 46.9% as at the end of September 2016. This is as a result of the 16.6% y-o-y growth in operating income to ₦267.2 billion (Sept 2015: ₦229.0 billion) accentuated by a 9.3% y-o-y decrease in operating expenses to ₦125.3 billion (Sept 2015: ₦138.1 billion). Profit before tax declined by 20.6% to ₦40.98 billion (Sept 2015: ₦51.6 billion) largely due to the impairment charge on credit losses of ₦100.9 billion (Sept 2015: ₦39.3 billion). The asset quality challenges were exacerbated by the impact of currency devaluation and interest accretion following scarcity of foreign currency (FCY) to repay maturing obligations. As previously stated, concerted efforts are geared towards converting some of the FCY exposures in order to mitigate further depreciation in the loan portfolio as we remain committed to remediation and recovery efforts on delinquent accounts.

The Commercial Banking business contributed³¹ 91.0% (Sept 2015: 91.1%) to the Group's gross earnings and 77.8% (Sept 2015: 89.6%) to the Group's profit before tax.

Merchant Banking & Asset Management (MBAM)³²

The weak macroeconomic indices (rising inflation, foreign exchange scarcity, GDP contraction) continue to limit business activity and impact performance. Reflecting the tough operating environment, MBAM's total revenue declined by 3.9% to ₦27.7 billion (Sept 2015: ₦28.8 billion), profit before tax increased by 52.4% to ₦12.7 billion (Sept 2015: ₦8.3 billion) demonstrating the resilient and diversified nature of the business portfolio.

The key drivers of performance were the investment banking, corporate banking, fixed income trading, and trustee businesses. Supporting the earnings is a strong growth in foreign exchange income, essentially from translation gains. Assets under management (managed funds) grew by 10.3% y-o-y to ₦198.2 billion (Sept. 2015: ₦179.1 billion), while total assets closed at ₦209.4 billion, representing 34.5% y-o-y increase (Dec 2015: ₦155.7 billion).

Looking ahead, the difficult macroeconomic and operating environment is expected to linger through to the fourth quarter, as the economy grapples with stagflation, low oil prices and lower production levels, delays in implementation of the 2016 expansionary budget and illiquidity across foreign exchange markets. We however expect our annuity businesses to maintain a steady growth trajectory, whilst we cautiously grow our risk assets and seek to capitalise on periods of volatility.

³⁰ This relates to FirstBank Nigeria only

³¹ Post consolidation

³² Following the acquisition of the Merchant Banking License in the latter part of 2015, the Investment Banking and Asset Management business (IBAM) is now the Merchant Banking & Asset Management Business (MBAM)

As we progress with organisational restructuring and optimisation of the merchant banking license, our strategy remains to continue optimising internal and external collaboration, complete the roll out of a full suite of merchant banking products and services, create innovative solutions for our clients, and improve efficiency by leveraging on technology.

The Merchant Banking and Asset Management business contributed³³ 6.6% (Sept 2015: 7.0%) to the Group's gross earnings and 22.1% (Sept 2015: 14.0%) to the Group's profit before tax.

Insurance

The insurance business group continued to grow but hindered by the current economic and business realities. During the period, corporate insurance buyers continued to cut down insurance expenses, while others have opted for staggered premium payment methods. Similarly, the business witnessed increased insurance claims and policy terminations relative to the previous year, essentially attributable to the crystallization of some business risks and increased job losses. Notwithstanding, the group continues to enjoy strong brand recognition and good patronage, which is reflected in its revenue profile.

Revenue for the Insurance business group increased by 38.0% y-o-y to ₦9.7 billion (Sept 2015: ₦7.0 billion). Profit before tax increased by 48.6% to ₦2.3 billion from ₦1.5 billion in Sept 2015 largely from the persistent retail insurance push and to a lesser extent enhanced investment income. We remain focused on further deepening opportunities from current low retail insurance penetration, optimising synergies across the Group while exploring additional growth opportunities in the public sector and infrastructure development projects.

The Gross Premium Written within the insurance group increased by 20.0% to close at ₦10.7 billion (Dec 2015: ₦8.9 billion).

The insurance business contributed²⁸ 2.2% (Sept 2015: 1.6%) to Group's gross earnings and 3.5% (Sept 2015: 1.6%) to the Group's profit before tax.

– ENDS –

³³ Post consolidation

Conference call

FBNHoldings will host a question and answer teleconference call with analysts and investors on the unaudited nine months ended 30 September 2016 results today **Wednesday 26 October 2016 at 3:00pm UK / 3:00pm Lagos / 10:00am New York / 4:00pm Johannesburg & Cape Town.**

The teleconference call facility can be accessed by dialling:

+234 1 277 6330 (Nigeria); **0800 358 6377** (United Kingdom) or **+44 20 7026 5967** (United Kingdom); **+1 800 347 6311** or **+1 719 325 4746** (United States); or **0800 998 654** or **+27 11 844 6118** (South Africa).

And then entering the following confirmation code: **8826595#**

Participants are advised to register for the call at least five minutes before the start of the call.

For those who are unable to listen to the live call, a recording will be posted on the Company's website. Replay facilities are also available for a week after the call by dialling:

United Kingdom: **0808 101 1153** or **+44 20 7660 0134**; US: **+1 719 457 0820** or **+1 888 203 1112**

Passcode: **8826595#**

An investor presentation will be available ahead of the call today on the FBNHoldings website.

[Click here to access the presentation.](#)

The following related documents are also available on our website <http://ir.fbnholdings.com/>

- 9M 2016 Results Press Release [Click here](#)
- 9M 2016 financial statements (unaudited) [Click here](#)

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FBN Holdings Plc.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30 September 2016 N 'million	31 December 2015 N 'million	30 September 2016 N 'million	31 December 2015 N 'million
ASSETS				
Cash and balances with central banks	656,599	715,871	-	-
Loans and advances to banks	651,962	385,769	1,218	4,792
Loans and advances to customers	2,210,110	1,817,271	71	63
Financial assets at fair value through profit or loss	67,134	26,426	-	-
Investment securities				
-Available-for-sale investments	986,527	799,850	10,135	7,019
-Held to maturity investments	156,221	106,623	-	-
-Loans and receivables	21,387	7,306	-	-
Asset pledged as collateral	86,708	105,646	-	-
Other assets	64,628	35,483	442	4,670
Inventory	50,012	49,649	-	-
Investment properties	3,572	3,025	-	-
Investments in associates accounted for using the equity method	-	-	1,500	1,500
Investment in subsidiaries	-	-	244,095	263,595
Property, plant and equipment	85,236	88,398	949	1,192
Intangible assets	13,106	9,687	-	-
Deferred tax assets	12,656	14,615	-	-
	5,065,858	4,165,619	258,410	282,831
Asset held for sale	-	570	-	-
Total assets	5,065,858	4,166,189	258,410	282,831
LIABILITIES				
Deposits from banks	377,770	144,652	-	-
Deposits from customers	3,296,169	2,970,922	-	-
Financial liabilities at fair value through profit or loss	30,583	12,488	-	-
Current income tax liability	14,427	8,773	-	-
Other liabilities	304,051	168,441	6,722	5,751
Liability on investment contracts	19,417	10,157	-	-
Liability on insurance contracts	13,906	11,837	-	-
Borrowings	380,816	256,116	-	-
Retirement benefit obligations	3,880	3,764	-	-
Deferred tax liabilities	221	239	-	-
Total liabilities	4,441,240	3,587,389	6,722	5,751
EQUITY				
Share capital	17,948	17,948	17,948	17,948
Share premium	233,392	252,892	233,392	252,892
Retained earnings	215,720	163,198	21	5,885
Other reserves				
Statutory reserve	67,647	66,647	-	-
Capital reserve	1,223	1,223	10	10
SSI Reserve	6,076	6,076	-	-
AFS Fair value reserve	24,935	56,241	317	345
Contingency Reserve	683	438	-	-
Statutory credit reserve	4,752	2,433	-	-
Foreign currency translation reserve	50,027	8,029	-	-
	622,403	575,125	251,688	277,080
Non-controlling interest	2,215	3,675	-	-
Total equity	624,618	578,800	251,688	277,080
Total equity and liabilities	5,065,858	4,166,189	258,410	282,831

FBN Holdings Plc.

INCOME STATEMENT

	GROUP			
	Quarter ended	Year to date	Quarter ended	Year to date
	30 September	30 September	30 September	30 September
	2016	2016	2015	2015
	N 'million	N 'million	N 'million	N 'million
Continuing operations				
Interest income	109,376	278,577	94,584	300,382
Interest expense	(32,515)	(75,666)	(34,361)	(107,463)
Net interest income	76,861	202,911	60,223	192,919
Impairment charge for credit losses	(44,802)	(114,717)	(24,055)	(46,638)
Net interest income after impairment charge for credit losses	32,058	88,194	36,168	146,281
Insurance premium revenue	3,608	7,656	1,880	5,121
Insurance premium revenue ceded to reinsurers	(271)	(807)	(302)	(853)
Net insurance premium revenue	3,337	6,849	1,578	4,268
Fee and commission income	17,993	52,702	17,830	51,001
Fee and commission expense	(3,091)	(7,745)	(1,652)	(5,956)
Net gains on foreign exchange	15,486	68,401	5,542	22,461
Net (losses)/gains on investment securities	(589)	4,402	(1,383)	3,988
Net gains/(losses) from financial instruments at FVTPL	3,069	3,292	(263)	3,477
Dividend income	73	846	-	1,450
Other operating income	692	2,283	890	3,016
Insurance claims	(1,693)	(2,858)	(1,158)	(1,946)
Personnel expenses	(22,625)	(65,391)	(15,048)	(62,509)
Depreciation, amortisation and impairment	(3,780)	(11,021)	(3,376)	(10,033)
Operating expenses	(29,360)	(82,499)	(31,651)	(95,935)
Profit before tax	11,570	57,455	7,477	59,563
Income tax expense	(4,907)	(14,938)	2,679	(9,346)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATION	6,663	42,517	10,156	50,217
PROFIT FOR THE PERIOD	6,663	42,517	10,156	50,217
Profit attributable to:				
Owners of the parent	6,617	41,970	9,929	49,545
Non-controlling interests	46	547	227	672
	6,663	42,517	10,156	50,217
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		1.17		1.38
From profit for the period		1.17		1.38

FBN Holdings Plc.

INCOME STATEMENT

COMPANY

	Quarter ended 30 September 2016 N 'million	Year to date 30 September 2016 N 'million	Quarter ended 30 September 2015 N 'million	Year to date 30 September 2015 N 'million
Continuing operations				
Interest income	217	541	251	490
Interest expense	-	-	-	-
Net interest income	217	541	251	490
Impairment charge for credit losses	-	-	-	-
Net interest income after impairment charge for credit losses	217	541	251	490
Insurance premium revenue	-	-	-	-
Insurance premium revenue ceded to reinsurers	-	-	-	-
Net insurance premium revenue	-	-	-	-
Fee and commission income	-	-	-	-
Fee and commission expense	-	-	-	-
Net gains on foreign exchange	16	110	9	27
Net losses on investment securities	(14)	(12)	-	(1)
Net gains from financial instruments at FVTPL	-	-	-	-
Dividend income	-	1,259	31	1,063
Other operating income	10	26	5	30
Insurance claims	-	-	-	-
Personnel expenses	(147)	(390)	(102)	(278)
Depreciation, amortisation and impairment	(95)	(281)	(97)	(285)
Operating expenses	(819)	(1,713)	(865)	(1,731)
Loss before tax	(832)	(460)	(768)	(685)
Income tax expense	-	(20)	-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(832)	(480)	(768)	(685)
LOSS FOR THE PERIOD	(832)	(480)	(768)	(685)
Loss attributable to:				
Owners of the parent	(832)	(480)	(768)	(685)
Non-controlling interests	-	-	-	-
	(832)	(480)	(768)	(685)
Earnings per share attributable to owners of the parent				
Basic/diluted loss per share (expressed in naira per share):				
From continuing operations		(0.01)		(0.02)
From loss for the period		(0.01)		(0.02)

- Notes to Editors -

FBN Holdings Plc. (ISIN: NGFBNH000009) is the most diversified financial services group in Nigeria. FBN Holdings Plc. was incorporated in Nigeria on 14 October 2010, following the business reorganisation of the FirstBank Group into a holding company structure. The Company was listed on the Nigerian Stock Exchange under the 'Other Financial services' sector on 26 November 2012 and now has issued and fully paid-up share capital of 35,895,292,792 ordinary shares of 50 kobo each (₦17,947,646,396). FBNHoldings has an unlisted Global Depository Receipt (GDR) program which will be terminated by year end - December 2016. There are currently 3,754 GDRs outstanding with each unit represented by 50 units of ordinary shares. More information can be found on our website www.fbnholdings.com.

The subsidiaries of FBNHoldings offer a broad range of products and services across commercial banking in 12 countries (Lagos, Nigeria; London, United Kingdom; Paris, France; Johannesburg, South Africa; Beijing, China; Abu Dhabi, UAE; Kinshasa, Democratic Republic of Congo, Accra, Ghana; Banjul, Gambia, Conakry, Guinea, Freetown, Sierra Leone and Dakar, Senegal), merchant banking and asset management as well as insurance. The Group, employing about 9,200 staff, has about 12.1 million active customer accounts (in the principal subsidiary – FirstBank (Nigeria)), through about 863 business locations (615 local branches, 131 agencies for FirstBank (Nigeria) and 117 (local and international) subsidiary locations). FBN Holdings Plc. is structured essentially under three business groups, namely: Commercial Banking, Merchant Banking and Asset Management as well as Insurance.

Commercial Banking comprises First Bank of Nigeria Limited, FBNBank (UK), FBNBank DRC³⁴, West Africa³⁵ subsidiaries, representative offices in Abu Dhabi, Beijing, Johannesburg and Paris as well as First Pension Fund Custodian and FBN Mortgages. This group provides both individual and corporate clients/ customers with financial intermediation services. This business segment includes the group's local, international and representative offices with operations in 12 countries offering commercial banking services.

Merchant Banking & Asset Management comprises FBN Merchant Bank Limited and FBN Capital Group. Both entities are wholly owned by the holding company. The FBN Capital group comprises FBN Capital Ltd and its subsidiaries; FBN Securities Limited, FBN Capital Asset Management Limited, FBN Trustees Limited, FBN Funds Limited and FBN Capital Partners Limited. The group creates value by providing advisory, asset management, markets and private equity services to a large institutional (corporations and governments) clientele, as well as merchant banking services.

Insurance comprises FBN Insurance Limited and FBN General Insurance Limited (both owned by FBNHoldings 65% and Sanlam 35%) as well as FBN Insurance Brokers (100% owned subsidiary). The business group offers Life and General insurance services as well as insurance brokerage services.

³⁴ Previously, Banque Internationale de Credit (BIC)

³⁵ Comprising locations in Ghana, Gambia, Guinea, Sierra Leone, Ghana and Senegal

Cautionary note regarding forward looking statements

This release contains forward-looking statements which reflect management's expectations regarding the Group's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend", "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to the Group's management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Forward-looking statements therefore speak only as of the date they are made.

FBNHoldings cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain risks or factors, reference should be made to the Group's continuous disclosure materials filed from time to time with the Nigerian Stock Exchange. The Group disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.